Affordable and
Special Needs Housing (ASNH) Program
Application Instructions

Funding Year July 1, 2013 to June 30, 2014

Quarterly Submission Dates:

September 30, 2013   **December 31, 2013**

March 31, 2014   **June 30, 2014**

PLEASE DIRECT ANY QUESTIONS TO:
  KEVIN HOBBS AT (804) 371-7120 (**kevin.hobbs@dhcd.virginia.gov**) OR
  NANCY PALMER AT (804) 371-7102 (**nancy.palmer@dhcd.virginia.gov**)

Application Submission

Affordable and Special Needs Housing (ASNH) applications must be submitted through DHCD's **Centralized Application and Management System** (CAMS). Applicants should carefully follow all instructions for submission. Applications submitted with incorrect or missing information will be reviewed 'as is."
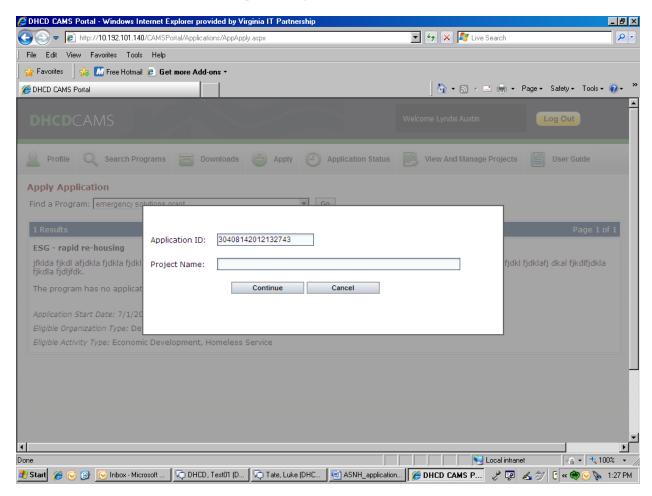
An applicant organization must have a registered CAMS organizational profile in order to apply for ASNH funding. Once an organization has an approved profile, individual users may be given access to CAMS by the organization's profile manager. Please note, that the application must be submitted by the primary partner in the project not the project Limited Liability Corporation (L.L.C.). The applicant is the entity responsible for long-term operations and compliance. Applications will not be accepted from the project legal entity or limited liability corporation. Please contact DHCD if you have any questions.

Applicants may submit applications at any time prior to the deadline. DHCD will only review applications submitted prior to the quarterly deadline.

CAMS will send the applicant an email notification when an application has been submitted and received.

Project Information

The applicant must login to CAMS and select the HOME Affordable and Special Needs Housing (ASNH) program and apply. When the applicant clicks on Apply the system will ask for a Project Name. Please be careful to enter a project name that will help DHCD identify your project. The name of the apartment complex or the street where the project is located would be appropriate project names. Once the applicant hits Continue the project name cannot be edited. At this point CAMS will give the application a system-generated Application ID number.
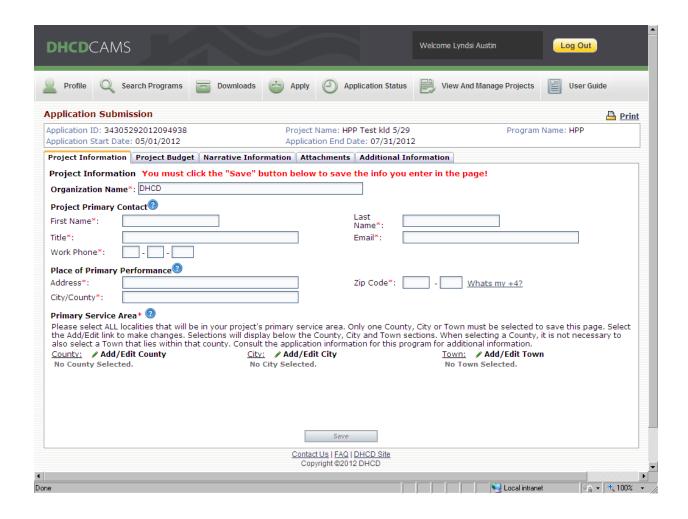
Select <u>Continue</u> and CAMS will take the applicant to the <u>Project Information</u> tab. On the project information tab the <u>Organization Name</u> will be pre-populated based on the organization's profile. Please note, any errors or needed updates to the organizational profile must be made by the individual who is set up as a profile manager for your organization.

On the project information tab the applicant must enter the <u>Project Primary Contact</u> information. This is the name of the individual DHCD should contact with questions about the project and their contact information.
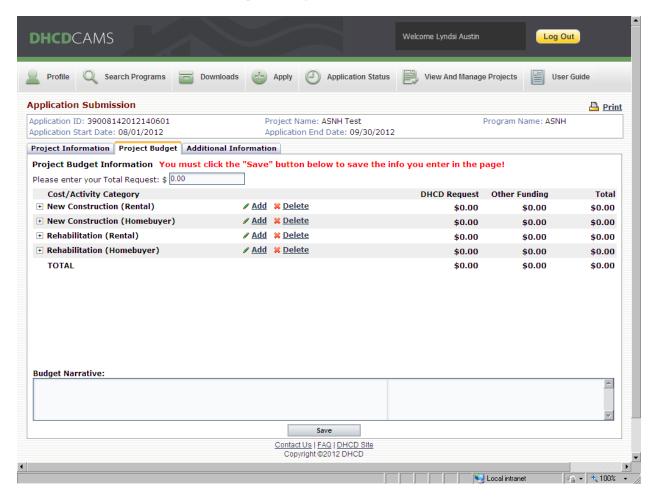
<u>Place of Primary Performance</u> is where that project will be located and the <u>Primary Service Area</u> are the localities (one or more) that the project is intended to target.

Please note that at this point the page will display a 'Print' option at the top right-hand corner. The 'Print' function will produce a PDF that can be printed or saved. This will have any information that you have entered and saved in the application.
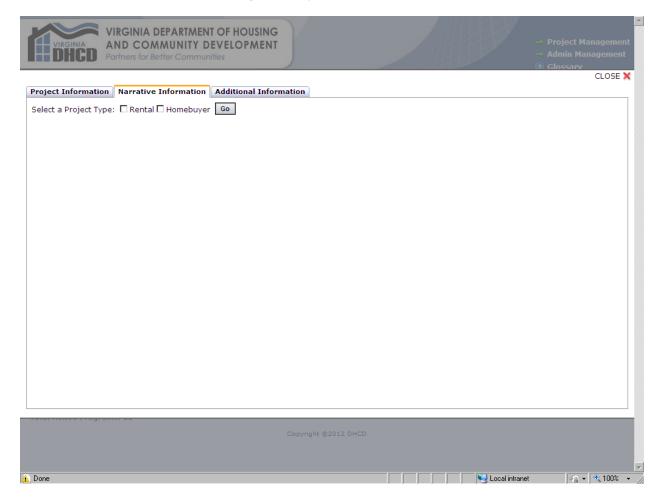
Project Budget

The next tab Project Budget requires some basic budget information. Please note for the ASNH program this information corresponds to the requested amount and project type. Please enter the amount of ASNH funds in the DHCD Request box and the remaining development costs in the Other Funding text box. Also note that an ASNH project **must** be only one type. The project and the corresponding information on this page must be either new construction rental or **ONE** of the other project types. DHCD will **not** fund projects that are multiple project types. If the intent is for multiple project types then the applicant must submit multiple applications. The applicant will be required to submit a full development budget (underwriting template) as an attachment to the application.
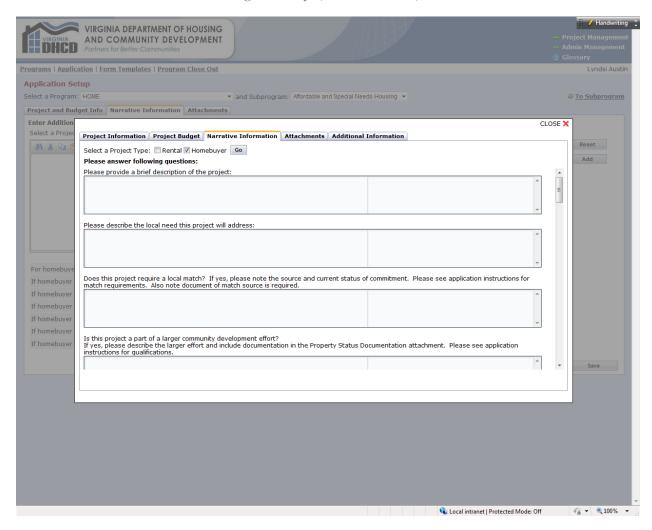
Narrative Information

The next tab <u>Narrative Information</u> requires the applicant to select either "rental" or "homebuyer."   While most of the questions apply to both types of projects there are some questions specific to the project type.   These questions will display in CAMS based on the project type selection.

Once the project type has been selected the applicant hits <u>Go</u>. The applicant will then be advanced to the narrative questions. Please note there are size limits to the text boxes. DHCD suggests that applicants work in Word and copy and paste into the CAMS text boxes. Word allows an applicant to spell check and check the size of the text prior to copying and saving in the text box. The narrative questions are attached as an appendix to these instructions for the applicant's reference. Once the narrative information is complete applicants should print the questions by clicking the <u>Print</u> tab at the top of the page and review them for completeness and accuracy. The applicant is able to edit this information up until the time the application is submitted for review.

Please note that CAMS text box in this section will only accommodate text responses. Graphic, tables, charts will appear as text only. The applicant may use the CAMS attachment section to provide any additional information not accommodated in the narrative text boxes.

Attachments

There are a number of attachments required for the ASNH application. Some of these attachments require the use of a DHCD-provided template. Zoning certification and the project timeline are examples where the applicant will be required to download templates, complete, and upload the completed templates. All attachments are listed on the attachment tab. The attachments with required templates have a link next to the name of the attachment and instructions to download.

Some attachments do not require DHCD templates. Site control documentation and match source documentation are examples of attachments where the applicant will not be required to download and complete a DHCD template. In these cases the applicant would simply upload an electronic version of the document under the appropriate attachment. One copy of the Architectural drawings and site plans should be mailed to:

Kevin Hobbs, Housing Program Administrator
DHCD
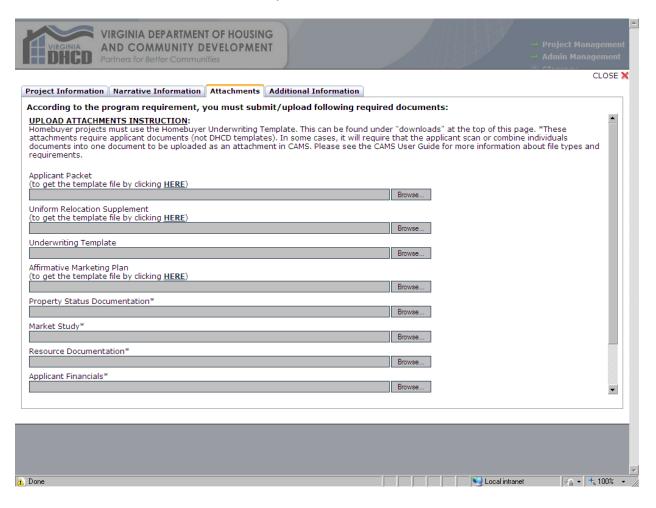600 E. Main St., Suite 300
Richmond, VA 23219

Required ASNH application attachments include the following:

ASNH Application Attachments	
Name of Attachment	*Requirement*
Application Packet	DHCD template; required for all projects
Uniform Relocation Supplement	DHCD template; required for all projects
Rental Underwriting Template	DHCD template; required for all rental projects
Homebuyer Underwriting Template	DHCD template; required for all homebuyer projects
Affirmative Marketing Plan	DHCD template; required for all projects
Certifications and Assurances	DHCD template; required for all projects
Property Status Documentation	Applicant documentation to include map/directions; legal description; topography; utility documentation; and documentation that the project is a part of a larger revitalization project (if applicable) –required for all projects
Market Study	Applicant document; required for all projects
Resource Documentation	Applicant documentation to include funding commitments, match documentation; documentation of other HOME funds including contact information; documentation of rent assistance or service agreements; documentation of any other key partnership related to the project –required for all projects; and resume of the key principals that will be responsible

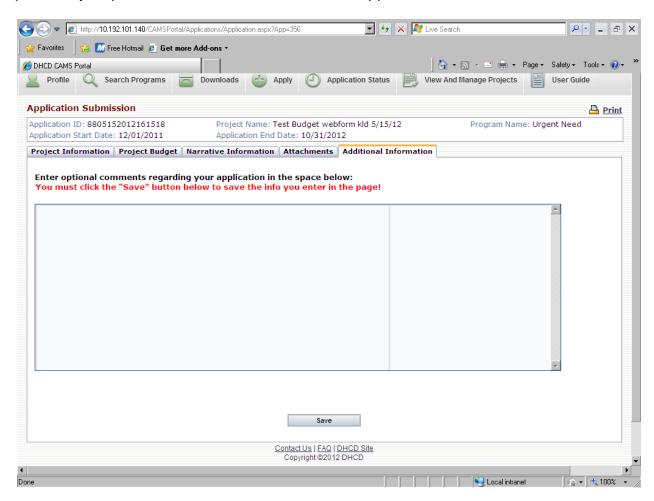|	for performing the development work
<u>Applicant Financials</u>	All projects –current and prior year organizational budgets to include revenue sources and expenses
<u>Sample Lease</u>	Required for all rental projects
<u>Additional Attachments</u>	Applicant additional attachments

*DHCD required template

In some cases CAMS will provide for only one attachment, such as <u>Resource Documentation</u>. This will require that the applicant save multiple sources of documentation as one document to upload.

Additional Information

The Additional Information tab allows the applicant to provide additional information not previously requested in the other sections of the application.

Application Status

Applicants may allow multiple users to edit and review application materials. Please note that applicants are fully responsible for controlling security access to CAMS when the application is submitted to DHCD.

Once the applicant begins work on the application CAMS will save the application as Incomplete. The applicant may return repeatedly to CAMS to work on this application. Please be sure all work on the application is saved in CAMS. The application will remain as an incomplete application until the applicant chooses to submit the application. Once the application is submitted the status will change from Incomplete to Pending.

DHCD Review Process

Applicants with unresolved findings from previous DHCD monitoring, audit findings or other compliance issues will not be eligible for a funding commitment.

DHCD conducts panel reviews of all applications submitted by eligible applicants through CAMS.

Applications that score below 60 points out of a possible 100 will not be considered for funding. Scoring criteria are as follows:

> ➢ Need – 40 points
> ➢ Feasibility – 30 points
> ➢ Capacity – 30 points

Applications selected for funding receive a conditional funding offer. This offer is contingent upon the applicant meeting all regulatory requirements including environment reviews and underwriting standards within the given deadlines. Program agreements and loan commitments will not be issued until all contingencies are met.

DHCD HOME Program Regulatory Requirements

The source of funding for the ASNH program is federal HUD HOME Investment Partnerships Program funds. These funds have federal regulatory requirements that must be met in the case of any HOME fund investment in a project. These regulatory requirements apply to all projects funded through this application process. These regulatory requirements include but are not limited to:

- Required affordability periods (DHCD HOME projects will have 15 or 20 year affordability periods, depending on type of project)
- Low and very low income targeting
- Property standards
- Periodic property inspections
- Annual rent and occupancy reporting
- Affirmative marketing and fair housing
- Limits on HOME subsidies
- Limits on rents
- 504 Accessibility requirements
- Lead Safe provisions
- Universal Relocation Act
- Davis Bacon and Section 3 (labor standards)
- Environmental reviews

An environmental review is required before DHCD can release any HOME Program funding and therefore it is essential that developers **do not proceed** with any activity

(e.g., acquisition, rehabilitation, demolition, construction, etc.) prior to the release of funds lest the project or activity be rendered ineligible for HOME funding.

It is anticipated that most acquisition and rehabilitation activities undertaken through the HOME Program will not be subject to the full NEPA environmental assessment due to qualification for categorical exclusion. However, most activities are expected to be subject to the statutory checklist of non-NEPA statutes. Projects that are exempt or categorically excluded are still required to maintain an Environmental Review Record containing all relevant environmental documentation. Developers should be aware that the non-NEPA checklist will trigger a more detailed review if the property is:

- Located within designated coastal barriers;
- Listed on, or eligible for, the National Register of Historic Places;
- Located within a special flood hazard area,;
- Located near hazardous industrial operations (handling fuels or explosive/flammable chemicals);
- Contaminated by toxic or radioactive materials; or,
- Located within airport clear and military accident potential zones

Applicants, project sponsors, owners, and property managers are responsible for assuring compliance HOME and other federal requirements. For more details see the ASNH program guidelines and HOME program specific guidance:

Affordable and Special Needs Housing Program Guidelines

HOME Statute

HOME Cross Cutting Federal Regulations

HOME Match Requirement

All projects located in one of the following localities must include a local match equivalent to 25 percent of the ASNH requested amount. Documentation much be attached to application submission.

HOME Entitlements and Consortiums – 25 percent Match Required	
Winchester Consortium – including:	**Alexandria**
Winchester	**Chesapeake**
Fredrick County	**Danville**
Page County	**Hampton**
Clarke County	**Lynchburg**
Warren County	**Newport News**
Shenandoah County	**Norfolk**
Charlottesville Consortium - including	**Portsmouth**
Charlottesville	**Richmond**
Albemarle County	**Roanoke City**
Fluvanna County	**Virginia Beach**
Greene County	**Arlington County**
Louisa County	**Chesterfield County**
Nelson County	**Fairfax County** -including
New River Consortium– including	Fairfax City
Radford	Falls Church
Giles County	**Henrico County**
Montgomery County	**Prince William County** –including
Pulaski County	Manassas
Blacksburg	Manassas Park
Christiansburg	Bristol City (member of Tennessee consortium)
Suffolk Consortium –including	
Suffolk	
Isle of Wight	
Franklin City	
Southampton	

Narrative Questions

The following will require narrative responses in the CAMS application.

- Please provide a brief description of the project:

- Please describe the local need this project will address:

- Does this project require a local match? If yes, please note the source and current status of commitment. Please see application instructions for match requirements. Also note documentation of match source is required.

- Explain how the project will blend with the surrounding community (new construction projects must complete the Site and Neighborhood Standards Review included in the application packet):

- Describe any community and project based services (transportation, rent subsidy, shopping, job center, support services, etc…) to which resident will have access:

- Describe the current condition of the property:

- Describe the improvements to be made to the property:

- ASNH application can earn bonus points for green-building features. The highest bonus level is awarded for projects that will be Earthcraft, LEED, or otherwise certified. Will this project be Earthcraft or LEED certified? If the green-building certification is something other than Earthcraft or LEED, please specify. Non-certified projects may also earn bonus points by including green-building features. In order to be eligible for these bonus points a project must score 100 out of 150 points on the DHCD Green-Building and Energy Efficiency Credit List (documentation required). Please see the program guidelines for more information. Does this project score 100 out of 150 points?

- Explain current status of roads and infrastructure (including utilities):

- How will you assure this project will be completed in a timely manner?

- Describe the need for the HOME funds in this project:
- Describe the applicant's relationship to the limited partnership and/or partnership member:

- Please list the key partners on this project:

- The applicant must be the primary partner in the project that will be responsible for long-term operations and compliance. Describe the specific role the applicant will have in project development through the compliance period (if partners are involved please describe their role):

- Describe the applicant's development experience with this type of project:

- If the applicant has other projects currently in development, list and provide the status of these projects:

Rental specific questions:

- Describe the rental management team's experience managing similar projects:

- The ASNH standard for rental project assistance is permanent financing (three percent interest-only deferred principal loan over the full affordability period). If the requirements for this project are different please specify below. Project assistance requirements varying from the standard could impact overall scoring.

Homebuyer specific questions:

- For homebuyer projects, how will you assure that completed units will have ratified contracts within nine months of certification of occupancy (CO)?

- If homebuyer development, what is the local median sales price for this type of housing?

- If homebuyer development, what incomes will the project target?

- If homebuyer development, explain how the HOME funds will be used to make this housing more affordable to the homebuyer?

- If homebuyer development, will down payment assistance be used in the units? If yes, what is the source of the assistance?

- If homebuyer development, is there an existing pipelines of homebuyers? If yes, please describe.

- If homebuyer, what is the source of the first mortgage?

Resources

Affordable and Special Needs Housing Program Website:
http://www.dhcd.virginia.gov/index.php/housing-programs-and-assistance/housing-development/affordable-and-special-needs-housing-program-asnh.html

CAMS User Guide:
https://dmz1.dhcd.virginia.gov/camsportal/StaticFiles/UserGuides/UserGuideTableofContents.pdf

A-87 Allowable Costs:
http://www.whitehouse.gov/omb/circulars/a087/a87_2004.html

Accessibility Notice: Section 504
http://www.hud.gov/offices/cpd/lawsregs/notices/2000/00-9.doc

Allocating Costs and Determining HOME-Assisted Units in Multi-family Projects:
http://www.hud.gov/offices/cpd/lawsregs/notices/1998/98-2.pdf

CHDO -Find out more about becoming a CHDO (Community Housing Development Organization):
http://www.dhcd.virginia.gov/HomelessnesstoHomeownership/CommunityHousingDevelopmentOrganizations.htm

HOME Rent Limits:
http://www.hud.gov/offices/cpd/affordablehousing/programs/home/limits/rent/index.cfm

HOME Income Limits:
http://www.hud.gov/offices/cpd/affordablehousing/programs/home/limits/income/index.cfm

Using HOME funds for SRO housing:
http://www.hud.gov/offices/cpd/lawsregs/notices/priorto95/cpd9401.pdf

HOME Laws Subpart A:
http://www.hud.gov/offices/cpd/affordablehousing/lawsandregs/laws/home/suba/parta.pdf

HOME per unit Subsidy Limits 221(d)(3):
http://www.hud.gov/offices/cpd/affordablehousing/programs/home/limits/subsidylimits.cfm